

**OCTOBER 26, 2010 MINUTES  
REGULAR WHEATLAND CITY COUNCIL MEETING  
WHEATLAND COMMUNITY CENTER  
101 C STREET, WHEATLAND, CA  
6:30 – 8:20 p.m.**

**COUNCIL MEMBERS PRESENT:** E. Elphick, L. McIntosh, J. Pendergraph, R. West  
Absent- D. Coe

**OTHER OFFICIALS PRESENT:** T. Raney, Community Development Director  
R. Shanahan, City Attorney  
R. Miller, Administrative Services Director  
D. Schilling, City Engineer

**PLEDGE OF ALLEGIANCE:**

Council member Jay Pendergraph led the pledge of allegiance.

**PUBLIC COMMENT**

June Swift commented on the stop sign on E Street.

Karl Nichols commented on occupancy of the Church of Latter Day Saints.

**CONSENT CALENDAR**

It was moved by Council member J. Pendergraph, seconded by R. West to approve **minutes from the regular meeting on October 12, 2010**. Vote called – AYES: All. Motion carried.

**PUBLIC HEARING**

**\*Council member Rick West excused himself from the meeting stating he has a potential conflict of interest with his employer related to this item.**

T. Raney presented discussion of amendments to the Development Agreement between the City and Wheatland Heritage Oaks, LLC (Heritage Oaks Estates East-Single Family Residential). Raney explained that at the March 9, 2010 meeting, the Wheatland City Council conducted a public hearing to consider the termination of the Development Agreements related to the Jones Ranch and Heritage Oaks East projects and voted to continue the hearing to the June 8, 2010 City Council meeting. The Council granted the 90-day extension based on the request of the current property owners in order to allow them to work with City staff to correct the Development Agreement deficiencies. On June 9, 2010, the City Council granted the property owners an additional 30-day extension and continued the hearing to the July 13, 2010 Council meeting. One final 30-day extension was granted by the City Council, which continued the hearing to August 10, 2010. At the August 10, 2010, the City Council authorized the establishment of an Ad Hoc committee of the council to review the tentative agreements negotiated by staff with the Lewis Operating Company representatives. Based on the original Development Agreement, the residential portion of Heritage Oaks East project currently owes the City a share of the Main Street signal as well as other identified costs. At the June 9, 2010 meeting, Mr. Doug Mull, representing the Lewis Operating Company, indicated that his company was in negotiations with US Bank to purchase the residential portion of Heritage Oaks East. Lewis Operating Company is now under contract with US Bank for the property and will pay the monies due according to a payment plan. This payment plan requires Lewis Operating Company to pay the Main Street Signal costs

once the City Council formally discontinues the consideration of the Development Agreement default. The remainder of the monies due will be paid once the property is transferred to Lewis Operating Company. This payment plan will eliminate the Development Agreement default for the residential portion of Heritage Oaks East. Since March 2010, City staff has met on many occasions with the representatives of Lewis Operation Company. Through these meetings, staff has developed tentative agreements that have served as the basis for the Development Agreement Amendment. A sub-committee of the City Council reviewed these tentative agreements and provided direction to staff to have the City Attorney prepare the Development Agreement Amendment. As required by state law, the City Planning Commission conducted a hearing and provided recommendation to the Council on the Development Agreement Amendments prior to the City Council meeting. Raney stated there are edits that were not included in the version of the staff report and amendment the council received. The changes include; strikeout and red line edits have been removed; there are two sentences added to section 3.8, page 5; two additional components on page 2, section 3.1 the word 'permanent' is removed; two exhibits are not included in the documents, Exhibit 2.8 which are the Development Impact Fees as of September 15, 2010 and Schedule 3.7 which is a map of the dedicated parcel, which is the open space area adjacent to the waste water treatment plant. The applicant has requested that the term of the agreement extend to 2020.

R. Shanahan stated the approval of Development Agreements and Development Agreement Amendments must be done by Ordinance and the City has a standard ordinance form which should have been included in the agenda packet. If council is inclined to support the action it would be to introduce an Ordinance to approve the Development Agreement Amendment then at the next regular City Council meeting the Ordinance would come back in final form at which time the final exhibits would be part of the package.

E. Elphick commented on funds that developers put up related to the sewer fund and questioned how monies lent to the reclamation districts for levee work are going to be repaid to the City. R. Shanahan proceeded with an explanation of the combination of payment sources that will repay the loan to the City. Elphick also requested clarification of section 3.8 of the Development Agreement Amendment. Shanahan provided clarification and explanation of section 3.8.

### **Public Comment**

William Harrison commented on the levee fee.

Doug Mull, representative of Lewis Corporation, stated they are planning to develop the property fairly soon, adding the owner is trying to clarify some confusion in the Development Agreement and not change the provisions of the agreement other than the term.

E. Elphick suggested approval of the change to delete the word permanent and add to the term of the contract that any units built after 2018 would be built at the current impact fee at that time.

It was moved by Council member J. Pendergraph, seconded by L. McIntosh to **approve introduction of an Ordinance to approve the Development Agreement Amendment No. 2. between the City of Wheatland and Wheatland Heritage Oaks, LLC striking the word permanent in section 3.1 and in section 3.3 approve the term of the agreement with the condition that anything built after 2018 to pay full current impact fees at that time** Vote called – AYES: All. Motion carried.

2) T. Raney presented discussion of amendments to the Development Agreement between the City and Lakemont Overland Crossing, LLC (Jones Ranch). Raney explained that at the March 9, 2010 meeting, the Wheatland City Council conducted a public hearing to consider the termination of the Development Agreement related to the Jones Ranch project and voted to continue the hearing to the June 8, 2010 City

Council meeting. The Council granted the 90-day extension based on the request of the current property owners in order to allow them to work with city staff to correct the Development Agreement deficiencies. On June 9, 2010, the City Council granted the property owners an additional 30-day extension and continued the hearing to the July 13, 2010 Council meeting. One final 30-day extension was granted by the City Council, which continued the hearing to August 10, 2010. At the August 10, 2010, the City Council authorized the establishment of an Ad Hoc committee of the Council to review the tentative agreements negotiated by staff with the Royal Bank of Canada representatives. The Jones Ranch property is currently owned by Royal Bank of Canada and the monies owed to the City according to the Development Agreement have been paid in full. However, the Development Agreement required that a Joint Use Agreement be established between the City and the Wheatland High School District related to the park facility identified adjacent to Wheatland High School. The previous owners of the Jones Ranch project entered into a separate agreement with the Wheatland High School District prior to the Joint Use Agreement being negotiated, and this separate agreement eliminated the possibility of a joint use park adjacent to the Wheatland High School. The Wheatland High School Board re-confirmed their interest in their agreement with the property owner at their meeting on July 13, 2010. Since March 2010, City staff has met on many occasions with the representatives of Jones Ranch. Staff has worked with the Royal Bank of Canada representatives to find a suitable replacement for the lost park land to cure the Development Agreement deficiency. This includes having approximately 5 acres of additional land within the project area dedicated to the City for park use. The dedication of this land will eliminate the Development Agreement default for Jones Ranch. Through these meetings with the Royal Bank of Canada representatives, staff developed tentative agreements that served as the basis for the Development Agreement Amendment. A sub-committee of the City Council reviewed these tentative agreements and provided direction to staff to have the City Attorney prepare the Development Agreement Amendment. As required by state law, the City Planning Commission conducted a hearing and provided recommendation to the Council on the Development Agreement Amendments prior to the City Council meeting.

## **Public Comment**

Darren Anderson, representative of RBC Real Estate Financing, stated he would be available for questions during the public hearing.

E. Elphick requested confirmation that the requirements of the Development Agreement has not changed. T. Raney explained the only change is related to the elimination of a Joint Use Agreement.

It was moved by Council member J. Pendergraph, seconded by R. West to **introduce an Ordinance to approve the Development Agreement Amendment No.2 in the form as recommended by staff between the City of Wheatland and RBC Real Estate Finance, Inc.** Vote called – AYES: All. Motion carried.

## **REGULAR CALENDAR**

1) T. Raney presented discussion of spending wastewater treatment facilities development fee funds to evaluate, plan and implement wastewater treatment plant expansion alternative. Raney explained that the existing City wastewater treatment plant is inadequate to accommodate the growth projections in the City General Plan. Additionally, because of state regulations, it is possible that the Regional Water Quality Control Board may require the City at some point in the future to increase the level of treatment or change the method of discharge. With the ongoing recession, new building in the City continues to be minimal. Consequently, at this time, the City lacks advance funding from new development as a means to fund wastewater treatment plant studies and improvements. However, even without current new building, it is prudent for the City to continue to study, evaluate and implement its wastewater treatment plant expansion alternatives and make related plans. The City Engineer and City Manager have evaluated this issue and

concur that City staff should proceed with work on the treatment plant, to the extent of available development fee funds. With past development and building, the City has accumulated some money in its wastewater treatment facilities development fee fund that may be used for these purposes. In order to keep moving forward on the expansion, improvement and/or replacement of the wastewater treatment plant, staff requests the City Council to authorize the expenditure of some money on deposit in the wastewater treatment facilities development fee fund for these purposes.

It was moved by Council member J. Pendergraph, seconded by R. West to **authorize the City Manager, in consultation with the City Engineer, to spend up to \$50,000 from the wastewater treatment facilities development fee fund in order to work on the expansion, improvement and/or replacement of the wastewater treatment plant, including evaluation of alternatives, technical studies and plans, preliminary engineering, environmental review, land and rights-of-way survey and acquisition, permitting, and related regulatory agency consultation.** Vote called – AYES: All. Motion carried.

## **REPORTS**

R. West reported on a tour of Beale AFB and the Metropolitan Transportation Planning Meeting scenarios. J. Pendergraph reported on the Yuba County Board of Supervisors meeting where funding was approved for a study of an Industrial Park.

## **CLOSED SESSION**

No reportable action.

## **ADJOURN**

There being no further business, Mayor Enita Elphick adjourned the meeting 8:20 p.m.

Minutes approve and adopted this 9<sup>th</sup> day of November, 2010.

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Enita Elphick, *Mayor*

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Rafaela Vargas, *Deputy City Clerk*